

## 212-01: INTRODUCTION

### 01-01: The Need for an Industrial Land Use Plan

Will Rhode Island, the smallest state in the union, have enough land to support itself in the twenty-first century?

The Statewide Planning Program first posed this question in the *Industrial Land Use Plan* in 1990, and it remains relevant today. Rhode Island's economic strategy is calling for the provision of tens of thousands of new jobs to maintain levels of employment comparable to regional and national levels; the "New Economy," composed of leading edge manufacturing and service industries, is touted as a paradigm, and trade associations are stirring their members to improve worker skills and modernize. To maintain the momentum, Rhode Island must have suitable sites for development, or refurbishing and redevelopment as the case might be — and this will always be a critical concern in a state with limited land resources.

Typically speaking, a site properly suited for industry has good transportation access, the availability of utilities, and limited physiographic constraints to development. For labor-intensive or specialized industries, access to a qualified workforce is also important. A cursory look at an inventory of the state's industrial-zoned land might give the impression that sufficient acreage exists for the future: in 1997, Statewide Planning estimated that almost half of our industrial-zoned land (some 47 percent) was vacant. However, we need to take a closer look to see if that acreage truly is suitable and able to meet industrial requirements.

Recent Statewide Planning forecasts based on Census data, employment trends, and in-house regression analyses indicated that, in the year 2020, the state's economy will support 375,251 private-sector jobs covered by unemployment insurance and likely to be located on industrial-zoned land. ((1)) This represents an increase of more than 85,000 jobs from the 1995 level. Most of this growth is expected to be in the service sector. Rhode Island demographics — to wit, the tendency of the median age to creep upward — is expected to favor health service growth, while traditional manufacturing such as jewelry and textiles will shrink.

Service industries may or may not be sited on industrial land. Health services is an example. Health service providers may be located in special "institutional" districts, like hospitals, or in areas zoned mixed residential or commercial. On the other hand, some of the state's older industrial properties, particularly those with the imposing mill buildings found throughout Rhode Island, might prove ideal for health services because of their proximity to population centers.

Other service industries may also be drawn to mill buildings for esthetic reasons, low rents, urban locations, or tax incentives to refurbish and reuse those facilities. Reconfigured or specialized manufacturing industries might locate in different areas of the same building. Such a mix of services and manufacturers often result in synergies that were difficult in the "old" economy, and should be encouraged in the "new."

So, although manufacturing employment is declining relative to the service sector, it is important to assess, assemble, and reserve industrial sites now for the next century. This must be done prudently, as there will be pressures in the opposite direction to conserve open space and agricultural land, sparing them — Rhode Island's "greenfields" — from development into industrial parks. Industrial land will nonetheless remain very significant to our economic future. How much industrial land will we need in, say, 2020?

Planners can estimate the amount of industrial land required to support job growth by considering *employment densities*, the number of employees that typically occupy a unit of space (here, an acre) in a given industry. Different industries have different employment densities.

The 1975 *State Land Use Policies and Plan* derived a cross-industry average density of 15 employees per acre. Using this number, one can get a "quick and dirty" estimate of future land needs. For example, of the 375,251 jobs expected in 2020, Statewide Planning anticipates that 260,151 will be located on industrial-zoned land (Table 212-02(01), page 2.6). This means that 17,343 acres of industrial land will be needed (because  $260,151 \text{ persons} \div 15 \text{ persons/acre} = 17,343 \text{ acres}$ ). That may be a good starting point for discussion, with the caveat that more refined and site-specific data may alter that number significantly.

Once planners are comfortable with their acreage estimates, can they be confident that there will be sufficient industrial land to support economic expansion? There are several basic reasons for developing a long-range state industrial land use plan to address that question:

1. *Industrial zoning does not necessarily mean industrial use.* Nationwide expansion of the economy and low interest rates are having an effect on Rhode Island, cutting into our reserve of prime industrial sites and placing development pressures on that reserve from less demanding uses. Vacant mill buildings have been converted to upscale residences or housing for the elderly, and even some industrial-zoned land in the suburbs has been subdivided into house lots or rezoned for commercial use (small shopping plazas, for example).
2. *More localized projections are needed.* Estimates of the industrial acreage needed statewide to support long-term economic development may not reflect *true* acreage requirements due to local ordinances or site limitations based on parcel size or topography. Additional acreage needed for future expansion may be underemphasized and neglected in calculations. Buffer zone requirements and environmental constraints may not be addressed.
3. *Forecasts are only educated guesses.* The reserve of industrial sites must be well above the bottom line of an employment forecast — simply because of the nature of a forecast. A forecast is the best estimate that can be made at the time, but it is *only* an estimate, and it may be proven wrong later. In preparing this report we had to revise many figures that went

into calculations in the 1990 *Industrial Land Use Plan*. If subsequent versions of this plan are written we have no doubt those figures will be revised again to reflect the current reality. Each time, as in 1990, those numbers will be based on the best information available, but again it will be the best available *at that time*.

4. *The development environment is very competitive.* The demand for land is driven by the private sector. Companies require sites with special characteristics, locations, and costs. A reserve of land is needed to ensure that a variety of options are available to meet those requirements. Otherwise the companies will locate elsewhere, and any benefit to the state and the local community from their presence and growth will be lost.

## **01-02: Approach to Long-range Industrial Land Use Planning**

This plan begins by examining existing state plans that have an impact on industrial land use, such as *Land Use 2010* (State Guide Plan Element 121, 1989) and the *Economic Development Strategy* (State Guide Plan Element 211, 1986). The staff also reviewed the R.I. Economic Policy Council's 1997 report, *Meeting the Challenges of the New Economy*, to discern trends in industry expansion and employment. Parts Two and Three of this plan draw extensively on those documents, as well as on contemporary economic development programs in other states, to propose comprehensive goals and policies.

This is followed by an in-depth analysis of the current status of Rhode Island's industrial land resources. Information on industrial sites is presented for each municipality, but in the context of the substate areas developed for analytical purposes in the first *Industrial Land Use Plan*. This report refers to them as "Substate Growth Areas," the growth being in terms of both population and employment. Our analysis is based on an Industrial Site Inventory that was assembled by Statewide Planning with the assistance of the 39 cities and towns and the R.I. Economic Development Corporation (EDC).

Projections of industrial land use in 2020 are presented in Part Five. They are constrained by the limits of current zoning designations and do not propose any areas for industrial development that are not currently zoned for such use. In other words, what is portrayed in the 2020 industrial land use projections is the industrial development *potential* of the state's existing inventory of industrial sites. Rhode Island's long-term capacity to support economic expansion cannot be assessed without a systemic approach that explores this potential and improves the possibilities.

The implementation mechanisms proposed in Part Six attempt to resolve the ultimate question of capacity by setting forth a series of programs that are both responsive to the issues and flexible enough to adjust to periods of financial austerity. These implementation mechanisms focus on methods that can be employed by both the private and public sectors. In some instances they review and expand upon

existing and innovative programs, while in others they recommend and re-emphasize proven techniques for planning and resource management.

### **01-03: What this Plan Does *Not* Do**

Part Four was intended to examine, in some detail, both the quality and the quantity of Rhode Island's industrial acreage. It was *not* intended, however, to prioritize or even to recommend the development of sites that happen to have high development potential.

The Inventory was derived from descriptions of industrial sites given by the respective municipalities or the EDC. It is merely an assessment of the infrastructure and physiographic characteristics to be considered in the process of "matching the plant to the land," as we advocate throughout the plan. The guiding principle is that sites should be conserved to ensure their wisest and most appropriate use. This can mean locating lighter industrial uses on industrial land with less than the full suite of utility services whenever they can be reasonably accommodated.

There is, therefore, no policy or schedule in the plan to upgrade all medium- or low-potential sites by infrastructure improvement or site preparation. In some instances, that would encourage unfavorable patterns of land use ("sprawl") and be contrary to other elements of the State Guide Plan.

Putting together the Industrial Site Inventory and the Part Four analysis meant dealing with a moving target. The acreage data presented in this plan are only a snapshot, though we believe this was a reasonable approach considering the level and purpose of our analysis. We needed to start and stop somewhere to assemble a useful database. We chose the period 1997-1999, which gave us time to construct the Inventory and to go back to local officials for their comments and corrections. Certainly not all, but some of our data may already be out of date. This plan cannot be claimed to be as current or as accurate as the latest information from those who constantly monitor properties, such as commercial and industrial real estate agents. Anyone contemplating development on an industrial site needs to contact them and the local officials for that information.